

ECONOMETRIC OPTIMIZATION ENGINE**ABSTRACT**

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A preferred set of prices for a plurality of products, generally demand coefficients is provided. Cost data is also received. A preferred set of prices that will provided a local optimum is then determined.

10 A method for determining a preferred set of prices for a plurality of products is provided. A sales model is created. A cost model is created. A plurality of rules is specified. The preferred set of prices is then determined based on the sales model, the cost model, and the plurality of rules.

15 In addition, an optimization engine, useful in association with an econometric engine for creating a sales model and a financial model engine for creating a cost model is provided. A rule tool, which stores a plurality of rule parameters is combined with a price calculator connected to the rule tool, the financial model engine, and the econometric engine, where the price calculator determines a preferred set of prices based on rule parameters, the sales model, and the cost model.